

ACQUISITION AND CROSS-SERVICING AGREEMENT

(US-SACT-01)

BETWEEN

**THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA**

AND

HEADQUARTERS, SUPREME ALLIED COMMANDER TRANSFORMATION

CONCERNING

MUTUAL LOGISTICS SUPPORT

Effective Date: 18 April 2008

City/County of Not L.H.
Commonwealth of Virginia
I certify this to be a complete, exact and true
copy of the original document. Certified this
24 day of JUNE, 2008
[Signature] Notary Public
My commission expires 31 May 2011
NOTARY REGISTRATION # 083875

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PREAMBLE

The Department of Defense of the United States of America, represented by the Commander, United States Joint Forces Command (USJFCOM), and Headquarters, Supreme Allied Commander Transformation (HQ SACT), hereinafter referred to as the Parties, desiring to further the interoperability, readiness, and effectiveness of their respective military forces and commands through increased logistics cooperation, have resolved to conclude this Acquisition and Cross-Servicing Agreement (this Agreement). This Agreement replaces the Acquisition and Cross-Servicing Agreement between the Department of Defense of the United States of America and Supreme Allied Commander Atlantic Concerning Mutual Logistics Support, dated December 18, 1997.

ARTICLE I. PURPOSE

This Agreement is entered into for the purpose of establishing basic terms, conditions, and procedures to facilitate the reciprocal provision of Logistic Support, Supplies, and Services as that term is defined in Article II of this Agreement.

ARTICLE II. DEFINITIONS

1. As used in this Agreement and in any Implementing Arrangements that provide specific procedures, the following definitions apply:

a. Classified Information. Official information that requires protection in the interests of national security and is so designated by the application of a security classification marking. This information may be in oral, visual, magnetic, or documentary form or in the form of equipment or technology.

b. Equal value exchange. Payment for a Transfer conducted under this Agreement in which it is agreed that the Receiving Party shall replace Logistic Support, Supplies, and Services that it receives with Logistic Support, Supplies, and Services of an equal monetary value.

c. Implementing Arrangement. A written supplementary arrangement for Logistic Support, Supplies, and Services that specifies details, terms, and conditions to implement cross-servicing agreements effectively.

d. Invoice. A document from the Supplying Party that requests reimbursement or payment for specific Logistic Support, Supplies, and Services rendered pursuant to this Agreement and any applicable Implementing Arrangements.

e. Logistic Support, Supplies, and Services. Food, water, billeting, transportation (including airlift), petroleum, oils, lubricants, clothing, communication services, medical services, ammunition, base operations support (and construction incident to base operations support), storage services, use of facilities, training services, spare parts and components, repair and maintenance services, calibration services, and port services. The term also includes the temporary use of general purpose vehicles and other nonlethal items of military equipment, where such lease or loan is permitted under the national laws and regulations of the Parties. The term "Logistic Support, Supplies, and Services" refers to support, supply or services from any or all of the foregoing categories.

f. Order. A written request, in an agreed-upon format and signed by an authorized individual, for the provision of specific Logistic Support, Supplies, and Services pursuant to this Agreement and any applicable Implementing Arrangement.

g. Point of Contact (POC). An office or agency that is authorized by a Party to sign an Order requesting or agreeing to supply Logistic Support, Supplies, and Services under this Agreement, or by collecting or making payments for Logistic Support, Supplies, and Services supplied or received under this Agreement. This POC is listed in the POC Annexes of this Agreement or an associated Implementing Arrangement.

h. Receiving Party. The Party ordering and receiving support.

i. Replacement-in-kind. Payment for a Transfer conducted under this Agreement in which it is agreed that the Receiving Party shall replace Logistic Support, Supplies, and Services that it receives with Logistic Support, Supplies, and Services of an identical, or substantially identical, nature under agreed conditions.

j. Supplying Party. The Party providing support.

k. Transfer. Selling (whether for payment in currency, replacement-in-kind, or exchange

of supplies or services of equal value), leasing, loaning, or otherwise temporarily providing Logistic Support, Supplies, and Services under the terms of this Agreement.

ARTICLE III. APPLICABILITY

1. This Agreement is designed to facilitate reciprocal logistic support between the Parties to be used primarily during combined exercises, training, deployments, port calls, operations, or other cooperative efforts, or for unforeseen circumstances or exigencies in which one of the Parties may have a need for Logistic Support, Supplies, and Services. Nothing in this Agreement is intended to modify, reduce, or amend the responsibilities and obligations of the Parties with respect to the Protocol on the Status of International Military Headquarters Set Up Pursuant to the North Atlantic Treaty ("Paris Protocol"), signed at Paris on August 28, 1952, or the Agreement Regarding the Headquarters of the Supreme Allied Commander Atlantic, dated October 22, 1954.
2. This Agreement applies to the provision of Logistic Support, Supplies, and Services from the military forces of one Party to the military forces of the other Party in return for either cash payment or the reciprocal provision of Logistic Support, Supplies, and Services to the military forces of the Supplying Party.
3. All activities of the Parties under this Agreement and any Implementing Arrangements shall be carried out in accordance with their respective national laws and regulations. All obligations of the Parties under this Agreement and any associated Implementing Arrangements shall be subject to the availability of funds for such purposes. Unless otherwise agreed in advance, a Party shall not place an Order and receive support under this Agreement and any associated Implementing Arrangement unless it has funds (or agreed-upon in-kind support) available to pay for such support. If a Party discovers that it does not have the funds to fulfill its obligations, it shall promptly notify the other Party, which shall have the right to discontinue its provision of any support that was to be paid for with such funds. This shall not affect the obligation of a Party to pay for support already received.
4. The following items are not eligible for Transfer under this Agreement, and are specifically excluded from its coverage:
 - a. weapon systems;
 - b. major end items of equipment (except for the lease or loan of general purpose vehicles and other nonlethal items of military equipment where such lease or loan is permitted under the national laws and regulations of the Parties); and
 - c. initial quantities of replacement and spare parts associated with the initial order of

major items of organizational equipment; however, individual replacement and spare parts needed for immediate repair and maintenance services may be transferred.

5. Also excluded from Transfer by either Party under this Agreement are any items the Transfer of which are prohibited by its national laws or regulations. In accordance with U.S. law and regulation, the United States currently may not Transfer the following items under this Agreement:

- a. guided missiles;
- b. naval mines and torpedoes;
- c. nuclear ammunition (including such items such as warheads, warhead sections, projectiles, demolition munitions, and training ammunition);
- d. guidance kits for bombs or other ammunition;
- e. chemical munitions or ammunition (which do not include riot-control agents);
- f. source, byproduct, or special nuclear materials, or any other material, article, data, or thing of value the Transfer of which is subject to the Atomic Energy Act of 1954 (Title 42, United States Code, Section 2011, et. seq.); and
- g. items of military equipment designated as Significant Military Equipment on the United States Munitions List (Part 121 of Title 22 of the U.S. Code of Federal Regulations), except as allowed under the definition of Logistic Support, Supplies, and Services under U.S. law.

ARTICLE IV. TERMS AND CONDITIONS

1. Each Party shall make its best efforts, consistent with national priorities, to satisfy requests from the other Party under this Agreement for Logistic Support, Supplies, and Services. However, when an Implementing Arrangement contains a stricter standard for satisfying such requests, the standard in the Implementing Arrangement shall apply.
2. Orders may be placed or accepted only by the Points of Contact (POCs), or designees, identified by the Parties in an Implementing Arrangement under this Agreement. When military forces or activities of Headquarters, Supreme Allied Commander Transformation or Allied Command Transformation require Logistic Support, Supplies, and Services, they may place orders directly with the cognizant POC or may seek the assistance of USJFCOM, or a USJFCOM sub-Unified or component command, to place an order with a non-USJFCOM POC
3. An Implementing Arrangement under this Agreement may be negotiated on behalf of the

U.S. Department of Defense by Headquarters, USJFCOM, the Headquarters of other U. S. Combatant Commands, or their designees. Implementing Arrangements may be negotiated on behalf of HQ SACT by any subordinate command or activity of HQ SACT, with its concurrence. Implementing Arrangements shall identify POCs and their specific authorizations or limitations.

4. Prior to submitting a written Order, the ordering Party should initially contact the Supplying Party's POC, including by telephone, fax, or e-mail to ascertain availability, price, and desired method of repayment for required materiel or services. Orders shall include all the data elements in Annex A, as well as any other terms and details necessary to carry out the Transfer. Instructions and a standard order form are attached at Appendix 1 to Annex A. The number of this Agreement, US-SACT-01, should be annotated on all Orders and related correspondence.

5. Both Parties shall maintain records of all transactions.

6. The Receiving Party is responsible for:

a. Arranging pick-up and transportation of supplies acquired under this Agreement. This does not preclude the Supplying Party from assisting with loading supplies acquired under this Agreement onto the transportation conveyance.

b. Obtaining any applicable customs clearance and arranging other official actions required by national customs regulations.

7. The individual designated by the Receiving Party to receive the Logistic Support, Supplies, and Services on behalf of the Receiving Party shall sign the standard Order form (Appendix 1 to Annex A) in the appropriate block as evidence of receipt. If the standard Order form is not available at the Supplying Party's point of issue, the individual receiving the Logistic Support, Supplies, and Services shall sign the receipt document provided by the Supplying Party as a substitute. The number of this Agreement, US-SACT-01, shall be entered on the receipt document.

8. The Supplying Party shall be responsible for:

a. notifying the Receiving Party when and where Logistic Support, Supplies, and Services are available to be picked up; and

b. forwarding the signed receipt document to the POC authorized to accept Orders under this Agreement. The signed receipt document shall be attached to the original Order Form.

9. Logistic Support, Supplies, and Services received through this Agreement shall not be retransferred, either temporarily or permanently, to any other country, international organization, or entity (other than the personnel, employees, or agents of the military forces of the Receiving

Party or any of its subordinate commands or activities) without the prior written consent of the Supplying Party obtained through applicable channels.

ARTICLE V. REIMBURSEMENT

1. For Transfers of Logistic Support, Supplies, and Services under this Agreement, the Parties shall agree on payment either by cash ("reimbursable transaction"), or by replacement-in-kind or an equal-value exchange (both of which are exchange transactions). The Receiving Party shall pay the Supplying Party as provided in either paragraph 1.a. or paragraph 1.b. of this Article.

a. Reimbursable Transaction. The Supplying Party shall submit Invoices to the Receiving Party after delivery or performance of the Logistic Support, Supplies, and Services. Both Parties shall provide for the payment of all transactions, and each Party shall invoice the other Party at least once every three (3) months for all transactions not previously invoiced. Invoices shall be accompanied by necessary support documentation and shall be paid within sixty (60) days of the date prepared and entered upon the Invoice. Payment shall be made in the currency of the Supplying Party or as otherwise agreed in the Order. In pricing a reimbursable transaction, the Parties agree to the following reciprocal pricing principles:

(1) In the case of a specific acquisition by the Supplying Party from its contractors on behalf of a Receiving Party, the price shall be no less favorable than the price charged the military forces by the contractor of the Supplying Party for identical items or services, less any amounts excluded by Article VI of this Agreement. The price charged may take into account differentials due to delivery schedules, points of delivery, and other similar considerations.

(2) In the case of Transfer from the Supplying Party's own resources, the Supplying Party shall charge the same price charged its own military forces for identical Logistic Support, Supplies, and Services, as of the date delivery or performance occurs, less amounts excluded by Article VI of this Agreement. In any case where a price has not been established or charges are not made for one's own military forces, the Parties shall agree on a price in advance, reflecting reciprocal pricing principles, excluding charges that are precluded under these same reciprocal pricing principles.

b. Exchange Transaction. Exchange transactions may be by replacement-in-kind or equal-value exchange. The Receiving Party shall pay by transferring to the Supplying Party Logistic Support, Supplies, and Services that are agreed between the Parties to be identical (or substantially identical) or to be of equal monetary value to the Logistic Support, Supplies, and Services delivered or performed by the Supplying Party. When Equal Value Exchange is the agreed method of payment, prior to the provision of the requested support both Parties will agree, to the extent possible, on the goods and services that will be accepted for payment. The Receiving Party is responsible for arranging return transportation and delivery of the replacement

Logistic Support, Supplies, and Services to the location mutually agreed between the Parties at the time the order is signed. If the Receiving Party does not complete the exchange within the terms of a replacement schedule agreed to or in effect at the time of the original transaction, which may not exceed one year from the date of the original transaction, the transaction shall be deemed reimbursable and governed by paragraph 1.a. above, except that the price shall be established using actual or estimated prices in effect on the date payment otherwise would have been due.

c. Establishment of Price or Value. The following pricing mechanisms are provided to clarify application of the reciprocal pricing principles. The price established for inventory stock materiel shall be the Supplying Party's stock list price. The price for new procurement shall be the same price paid to the contractor or vendor by the Supplying Party. The price for services rendered will be the Supplying Party's standard price, or, if not applicable, the costs directly associated with providing the services. Prices charged shall exclude all taxes and duties that the Receiving Party is exempted from paying under other agreements that the Parties have concluded. Upon request, the Parties agree to provide information sufficient to verify that these reciprocal pricing principles have been followed and that prices do not include waived or excluded costs.

2. When a definitive price for the Order is not agreed to in advance, the Order, pending agreement on final price, shall set forth a maximum liability to the Party ordering the Logistic Support, Supplies, and Services. Then the Parties shall enter into negotiations promptly to establish the final price.

3. POCs for payments and collections for each Party will be identified in an Implementing Arrangement under this Agreement

4. The price for Logistic Support, Supplies, and Services under this Agreement shall not be higher than the price for the same Logistic Support, Supplies, and Services available under any other agreement between the Parties.

ARTICLE VI. WAIVED OR EXCLUDED COSTS

Insofar as national laws and regulations permit, the Parties shall ensure that any readily identifiable duties, taxes, and similar charges are not imposed on activities conducted under this Agreement. The Parties shall cooperate to provide proper documentation to maximize tax and customs relief. The provisions of any applicable tax and customs relief agreements also shall apply under this Agreement. The Parties shall inform each other whether the price charged for Logistic Support, Supplies, and Services includes taxes or duties. In determining whether duties, taxes, or similar charges should be levied, the pricing principles in Article V govern the value of the Logistic Support, Supplies, and Services provided by the Supplying Party.

ARTICLE VII. SECURITY OF INFORMATION

All classified information and material exchanged between the Parties shall be in accordance with their respective national disclosure policies. Any classified information and material provided or generated pursuant to this Agreement shall be protected in compliance with C-M (2002) 49, "Security Within the North Atlantic Treaty Organization," dated June 17, 2002.

ARTICLE VIII. INTERPRETATION, AMENDMENTS, AND REVISION OF INFORMATION

1. Any disagreements regarding the interpretation or application of this Agreement, any Implementing Arrangements, or transactions executed hereunder shall be resolved through consultation between the Parties and shall not be referred to any national or international tribunal or third party for settlement.
2. Either Party may, at any time, request amendment of this Agreement by providing written notice to the other Party. In the event such a request is made, the Parties shall enter into negotiations promptly. This Agreement may be amended only by written agreement between the Parties.

ARTICLE IX. ENTRY INTO FORCE AND TERMINATION

This Agreement, which consists of a Preamble, Articles I-IX, and Annex A, shall enter into force upon the date of its last signature. This Agreement shall remain in force unless terminated by the mutual written consent of the Parties or by either Party giving not less than 180 days notice in writing to the other Party of its intent to terminate. Notwithstanding termination of this Agreement, all reimbursement obligations incurred pursuant to its terms shall remain binding on the responsible Party until satisfied.

IN WITNESS WHEREOF, the undersigned, being duly authorized by the Department of Defense of the United States of America and Headquarters, Supreme Allied Commander Transformation, have signed this Agreement.

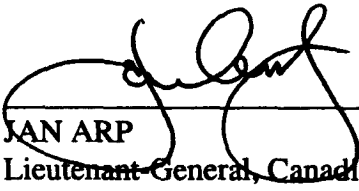
DONE, in duplicate, in the English language.

**FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES
OF AMERICA**



MILES B. WACHENDORF
Rear Admiral, U.S. Navy
Chief of Staff
US Joint Forces Command
at: Norfolk, Virginia, USA
on: 18 April 2008

**FOR HEADQUARTERS, SUPREME
ALLIED COMMANDER
TRANSFORMATION**



JAN ARP
Lieutenant General, Canadian Forces
Chief of Staff
HQ, SACT
at: Norfolk, Virginia, USA
on: 18 April 2008

ANNEX A

MINIMUM ESSENTIAL DATA ELEMENTS

- 1) Implementing Arrangements or support Agreement
- 2) Date of Order
- 3) Designation and address of office to be billed
- 4) Numerical listing of stock numbers of items, if any
- 5) Quantity and description of material/services requested
- 6) Quantity furnished
- 7) Unit of Measurement
- 8) Unit price in currency of billing country, or as otherwise agreed to in the Order
- 9) Quantity furnished (6) multiplied by unit price (8)
- 10) Currency of billing country, or as otherwise agreed to in the Order
- 11) Total Order amount expressed in currency of billing country, or as otherwise agreed to in the Order
- 12) Name (typed or printed), signature, and title of authorized ordering or requisitioning representative
- 13) Payee to be designated on remittance
- 14) Designation and address of office to receive remittance
- 15) Recipient's signature acknowledging service or supplies received on the Order or requisition or a separate supplementary document
- 16) Document number of Order or requisition
- 17) Receiving organization

18) Issuing organization

19) Transaction type

20) Fund citation or certification of availability of funds when applicable under Parties' procedures

21) Date and place of original Transfer; in the case of an exchange transaction, a replacement schedule including time and place of replacement Transfer

22) Name, signature, and title of authorized acceptance official

23) Additional special requirement, if any, such as transportation, packaging, etc.

24) Limitation of government liability

25) Name, signature, date, and title of Supplying Party official who actually issues supplies or services.

APPENDIX 1 TO ANNEX A

MUTUAL LOGISTICS SUPPORT ORDER/RECEIPT/INVOICE FORM (MLS FORM)

. The requester must complete areas 1 to 11, 15, 16, 17, 19, 21, 24, 27.
. The supplier must complete areas 12 to 15, 18, 20, 21, 22, 23, 25, 26.
. The financial activity must complete area 28.

Distribution:

One copy - invoice
Two copies - requester
Two copies - supplier

1. Request Number	3. From: (Requester)					5. Implementation Arrangement Number			
2. Date of Request	4. To: (Issuing Activity)								
6. Fund Cite (U.S. use only)						7. Date of Requested Delivery			
8. Stock number	9. Description of requested support (Detailed description may be attached)			10. Units	11. Quantity Required	12. Quantity Delivered	13. Unit Price	14. Total	15. Remarks
16. Place of Delivery of requested support	17. Method of Reimbursement		Proposed	Agreed	18. Total Amount Claimed			19. Liability Limitations	
	Cash				20. Payable To				
	Replacement-in-kind							22. Payment Forwarded To	
	Equal Value Exchange								
23. Schedule for Replacement/Exchange and Place of delivery of replacement item									
Name/Grade	24. Authorised Requesting Officer		25. Authorised Supplying Officer		26. Issuing Individual (Supplier's Agent)		27. Received, Inspected & Accepted by (Requester's Agent)		
Organisation									
Signature									
28. Signature block of payment receiving Officer									
I certify that I received _____ (Amount, Cash or Exchange Item/Service) from _____ (Official's Name) representing the _____ Government on _____ (Country) _____ (Date) This payment represents the _____ payment due under this invoice. The amount of payment still outstanding is _____ (Amount, Cash or Exchange Item/Service)									
_____ (Signature, Title and Date of (Country) Official)									

**APPENDIX 1 TO
ANNEX A**

**MUTUAL LOGISTICS SUPPORT ORDER/RECEIPT FORM
EXPLANATION OF ENTRIES**

Ser	Data Field	Explanation
1.	Request No.	Completed by Requestor (Requisition Number)
2.	Date of Request	Date form completed by Requestor
3.	From	Unit and person submitting request (include phone number)
4.	To	Unit of potential Supplier/Issuing Activity
5.	IA Number	Number of the IA under which supply is to be arranged
6.	Fund Cite	Funding citation for reimbursement (US only)
7.	Date of Requested Delivery	Date item or service is needed
8.	Stock Number	Item identification number
9.	Description	Brief description of support requested (attach details if necessary)
10.	Units	Unit of issue (each, box, metres, kilograms etc.)
11.	Quantity Required	Amount of units requested by the Requestor
12.	Quantity Delivered	Amount of units issued by Supplier
13.	Unit Price	Price Requestor is to be charged per unit
14.	Total	Total price for all like units
15.	Remarks	Descriptive remarks as required
16.	Place of Delivery	Address to which requested support is to be delivered
17.	Method of Reimbursement	Proposed and agreed method of reimbursement—Cash, Replacement-in-Kind or Equal Value Exchange
18.	Total Amount Claimed	Total amount for all transactions on this MLS form (Shown in the currency of the supplying country)
19.	Liability Limitation	Amount that this MLS is not to exceed (if price is not known)
20.	Payable To	Unit to which payment is to be made
21.	Additional Remarks/ Transaction Code	Additional comments or unique codes
22.	Payment Forwarded To	Finance Office payment should be submitted to
23.	Schedule for Replacement/ Exchange and Place for delivery of replacement item	Date and address replacement will be made, timeframe not to exceed one year
24.	Authorised Requesting Officer	Appointed official of requesting Participant authorising transaction (name, grade, signature, organisation)
25.	Authorised Supplying Officer	Appointed official of supplying Participant authorising transaction (name, grade, signature, organisation)

**APPENDIX 1 TO
ANNEX A**

26.	Issuing Individual (Supplier's Agent)	Issuing individual's name, grade, signature and organisation
27.	Received, Inspected, and Accepted by (Requestor's Agent)	Receiving individual's name, grade signature and organisation
28.	Payment Receiving Official	Signature and title of official receiving payment for this transaction. Note amount/item/services received, individual/organisation providing payment, name of paying Participant, number of payment against transaction (1st, 2nd, final etc) and amount still outstanding (zero if final payment)

**PROCEDURES FOR EXECUTING A MUTUAL LOGISTICS SUPPORT (MLS)
ORDER/RECEIPT/INVOICE FORM**

- 1. The Requestor of support will initiate the transaction by:**
 - a. completing blocks 1-5; 6 (if applicable); 7-11; 13 (if known); 15; 16; 17; 19; 21 and 24 of the MLS form; and**
 - b. forwarding a minimum of two copies of the form to the potential Supplier.**
- 2. If support will be provided, the Supplier will:**
 - a. complete the following blocks 13; 15; 17; 20; 22 and 25; and.**
 - b. return two copies of the form to the Requestor.**
- 3. If support will not be provided in full, the potential Supplier is to complete Block 21 with a short statement explaining why.**
- 4. When support is provided in full, the Supplier will complete Blocks 12; 14; 16 (if by mutual agreement the delivery place is different from Requestor's advice); 18; 23 (if applicable); and 26.**
- 5. Upon receipt of support, the Requestor will complete Block 27.**
- 6. After completion of the transaction, copies of the completed MLS form will be provided to the Supplier and Requestor for internal distribution. The MLS form will serve as an invoice for billing purposes. Upon receipt of payment, whether by cash, replacement or exchange, the payment-receiving officer will complete Block 28.**